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17 September 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Victor Zafra, Office of Management and Budget, Re Retirement Legislation

REFERENCE: [] Memorandum for the Record on the Same Subject dated 16 September 1970

1. Victor Zafra, of OMB, called this evening with further reference to his conversation with [] on Wednesday regarding clearance of our retirement package. Zafra said the Bureau would be very reluctant to clear the benefit provisions of our package without the accompanying funding provisions. He suggested that since the real urgency behind our proposal related to the quota issue we consider submission of the quota provision only at this time. He said he was quite certain that we could get expeditious clearance if we went with that provision alone.

2. I again reminded Zafra, as [] had done previously, that practically all of the provisions in Title II had been cleared by OMB on several occasions and had actually been passed by one House of the Congress. I said it was difficult to understand why the Bureau would be reluctant to do as much now. He said the whole issue of merger of the Civil Service, Foreign Service, and CIA funds had come into sharper focus recently and that there was a general feeling that no further liberalizations should be made in any of the retirement programs until this issue was resolved. I indicated that since it seemed doubtful Congress would adjourn next month, perhaps the Bureau could resolve this issue before the end of the year and we might still get clearance on our complete package. Zafra was very skeptical that this would happen since they had been trying to resolve this for the past three or four years without success.

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When I referred to the fact that the Foreign Service and the Civil Service had obtained legislation on their programs as recently as last year, Zafra only commented that the decision to go ahead with those proposals was made "above me." I told him that we were willing to go ahead with whatever funding theory Treasury and OMB agree on and that I had the very clear impression CIA had become "the ham in the sandwich" in this whole issue and I would have to talk further with our people. Zafra said to let him know what we decided.

Deputy Legislative Counsel

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